

Message Text

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10

ACTION AGR-08

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 PA-01

PRS-01 /102 W

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R 271552Z FEB 76

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 8962

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E.O. 11652: N/A

TAGS: EAGR, CA

SUBJECT: CANADIAN WHEAT/VENEZUELAN OIL

PASS AGRICULTURE ASST. SEC. BELL/FAS NOVOTNY

1. IN THE HOUSE OF COMMONS QUESTION PERIOD ON FEBRUARY 27,
THE PRIME MINISTER WAS ASKED IF HE HAD DISCUSSIONS WITH
OFFICIALS DURING HIS RECENT VIIT TO VENEZUELA ABOUT ENTERING
INTO AN AGREEMENT FOR THE SALE OF WHEAT TO VENEZEUELA AND THE
SALE OF VENEZUELAN OIL TO CANADA.

THE PRIME MINISTER REPLIED:

QUOTE: MR. SPEAKER, IN THE CONTEXT OF DISCUSSIONS ON TRADE,
PARTICULARLY WITH A VIEW TO REDUCING THE DEFICIT TRADE BALANCE
WE HAVE WITH VENEZEULA BECAUSE OF OUR LARGE IMPORTS OF
PETROLEUM TO EASTERN CANADA, THE MATTER OF VARIOUS FOOD STOCKS
WAS RAISED. THIS WAS RAISED BY ME IN GENERAL TERMS AND OFFI-
CIALS PURSUED THE DISCUSSIONS IN MORE CONCRETE TERMS. I HAVE
NO ANNOUNCEMENT TO MAKE ABOUT ANY SPECIFIC AGREEMENT THAT
HAS BEEN MADE IN THAT REGARD, BUT BOTH SIDES HAVE AGREED TO
ADVANCE THE INTERESTS OF EACH OTHER IN SO FAR AS POSSIBLE.

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END QUOTE.

2. COMMENT: THIS WILL PROBABLY GENERATE COMMENT IN THE
PARARIE NEWSPAPERS PARTICULARLY THE WEEKLY FARM PAPERS. IT
IS ALSO POSSIBLE THAT THESE PAPERS WILL PICK UP THE REPORT
FROM GPW'S NEWSLETTER OF FEBRUARY 6 WHICH APPEARS TO HAVE
SIGNIFICANT READERSHIP IN PRARIE GRAIN CIRCLES.

3. KEY SOURCE IN GOC'S GRAIN GROUP INFORMED AGATT THAT
HISTORICALLY GOC TRADE POLICY HAS NOT FAVORED SUCH BARTER-
TYPE ARRANGEMENTS AND ADDED THAT THERE IS VERY LITTLE
INTEREST IN A WHEAT/OIL AGREEMENT WITH VENEZUELA. SOURCE
ADDED THAT CANADA IS CONCERNED ABOUT ITS TRADE IMBALANCE WITH
VENEZUELA AND THAT THEY WOULD LIKE TO GET BACK INTO THE
VENEZEULAN WHEAT MARKET.

ENDERS

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Margaret P. Grafeld
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